

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In Re: Chapter 11  
DELPHI CORPORATION, et al, Case No. 05-44481 (RDD)  
Debtors  
(Jointly Administered)

**OBJECTION OF MADISON COUNTY, INDIANA, TO APPROVAL/CONFIRMATION  
OF THE FIRST AMENDED JOINT PLAN OF REORGANIZATION OF DELPHI  
CORPORATION AND CERTAIN AFFILIATES, DEBTORS, AND DEBTORS IN  
POSSESSION**

MADISON COUNTY, INDIANA ("Madison County"), by and through its undersigned counsel, Thomas M. Beeman, hereby files its objection to the approval/confirmation of the first amended joint plan of reorganization of Delphi Corporation and certain affiliates, debtors, and debtors in possession ("the First Amended Plan") and in support thereof states the following:

1. On June 5, 2006, Madison County timely filed a Proof of Claim against Delphi Automotive Systems, LLC, in the total amount of \$1,226,335.55 as an unsecured priority tax claim. The original Proof of Claim is identified in the claims register in this bankruptcy case as Claim No. 7463. The taxes owed were personal property taxes.

2. On March 12, 2007, Madison County filed an amended claim decreasing the total amount of the claim to \$1,064,727.48, which amount was for an unsecured priority tax claim. The amended Proof of Claim is identified in the claims registered in this bankruptcy case as Claim No. 16571.

3. Pursuant to the 12<sup>th</sup> Omnibus Claims Objection with respect to duplicate and amended claims, Docket No. 7824, the original Proof of Claim was expunged and the amended Proof of Claim is the current surviving claim.

4. The taxes, which are the subject of the claim by Madison County, were assessed on March 1, 2005, and were to be paid in May and November of 2006. According to Article II, Section 2.2, the plan does not propose to pay post-petition interest on the priority tax claims, including that of Madison County. The First Amended Plan only proposes to pay interest from the effective date of the plan, which would not include the interest accrued on the taxes since the date they were incurred or were payable.

5. Interest on a priority tax claim is in itself a priority claim, *Matter of Garcia*, 955 F2d 16 (5<sup>th</sup> Cir., 1992). Interest owing on priority tax claims is entitled to priority, as a penalty to compensate the government for its actual pecuniary loss as a result of tax unavailability. *In re Devine Bkrcty., D.Minn. 1991*, 127 B.R. 625. Under Indiana law, Madison County would be entitled to at least interest at the judgment rate as provided in IC 6-1-1-23-9.

6. It is absolutely vital to Madison County and its citizens that the First Amended Plan provide for the payment in full, with appropriate interest, of all personal property taxes owed. The county relies on these taxes to fund numerous public necessities, such as roads, emergency services, and other public expenses. It is unfair and inequitable to force Madison County to not be paid in full for the taxes owed by withholding any interest on the money owed. Such a plan does not fully compensate the county as required by law.

WHEREFORE, Madison County respectfully requests that the Court sustain its objections as set forth herein require the payment of pre-petition and post-petition interest and for all other just and proper relief.

Dated this 20<sup>th</sup> day of July, 2009.

/s/ Thomas M. Beeman

Thomas M. Beeman, No. 4291-45  
Attorney for Creditor, Madison County  
(Indiana) Treasurer  
33 West 10<sup>th</sup> Street, Suite 200  
Anderson, Indiana 46016  
Telephone: 765/640-1330

#### **CERTIFICATE OF SERVICE**

The undersigned certifies and affirms that on July 20, 2009, he electronically filed with the clerk of the Court a copy of the Objection of Madison County, Indiana, to Approval/Confirmation of the First Amended Joint Plan of Reorganization of Delphi Corporation and Certain Affiliates, Debtors, and Debtors in Possession on behalf of Creditor MADISON COUNTY (INDIANA) TREASURER ("Objection") using the ECF system, which system will send an electronic copy of same to those ECF participants registered in the above-referenced matter.

The undersigned also certifies and affirms that a copy of the Objection was also mailed by United States first-class mail, postage prepaid, to the following at their business address set forth below in accordance with the Court's Notice of Procedures:

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| 1. Delphi Automotive Systems, LLC<br>5725 Delphi Drive<br>Troy, MI 48098<br>Attn: Legal Staff                                     | 2. Delphi Corporation<br>5725 Delphi Drive<br>Troy, MI 48098<br>Attn: General Counsel   |
| 3. Counsel to Debtors<br>Skadden, Arps, Slate,<br>Meagher & Flom, LLP<br>333 West Wacker Drive<br>Suite 2100<br>Chicago, IL 60606 | 4. Counsel for the Agent under<br>the Post-Petition Credit Facility<br>Davis Polk & Wardwell<br>450 Lexington Avenue<br>New York, NY 10017<br>Attn: Donald Bernstein<br>and Brian Resnick |

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| <p>5. Counsel for the Official Committee<br/>of Unsecured Creditors<br/>Latham &amp; Watkins, LLP<br/>885 Third Avenue<br/>New York, NY 10022<br/>Attn: Robert Rosenberg and Mark Broude</p> <p>7. Office of the U.S. Trustee<br/>Southern District of New York<br/>33 Whitehall Street, Suite 2100<br/>New York, NY 10004<br/>Attn: Alicia M. Leonhard</p> <p>9. E. Todd Sable<br/>Seth A. Drucker<br/>2290 First National Building<br/>660 Woodward Ave., Suite 2290<br/>Detroit, MI 48226-3506</p> | <p>6. Counsel for the Official Committee<br/>of Equity Security Holders<br/>Fried, Frank, Harris, Shriver &amp;<br/>Jacobson, LLP<br/>One New York Plaza<br/>New York, NY 10004<br/>Attn: Bonnie Steingart</p> <p>8. The Honorable Robert D. Drain<br/>U.S. Bankruptcy Judge<br/>U.S. Bankruptcy Court<br/>Southern District of New York<br/>One Bowling Green, Room 632<br/>New York, NY 10004</p> |
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/s/ Thomas M. Beeman

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